

FARMINGTON CITY COUNCIL MEETING

Wednesday, August 7, 2002

CITY COUNCIL WORK SESSION/EAST CONFERENCE ROOM

PRESENT: Mayor Connors, Council Members Hales, Hasenyager, Holmes, and Johnson, City Manager Forbush, City Planner Petersen, and City Recorder Lomax. Council Member Haugen was excused.

Mayor Connors began the discussion at 6:30 P.M. The City Manager stated that the Council will be considering two documents in conjunction with the budget hearing. One is the resolution adopting the certified tax rate for the year 2002; and the other is the ordinance adopting the City budget for fiscal year ending 6-30-03. The City Manager then went through the process he suggested be used for the public hearing.

Council Member Hasenyager felt the reasons for the need to increase property taxes should be brought up during the public hearing so it is understood that the Council had no alternative but to raise taxes unless services were cut.

The City Manager presented a compensation chart showing Farmington City employees compared to other cities. The chart showed that Farmington City is very conservative. The City Manager had prepared a list of reasons why the City needs the tax increase. Copies of this list were available for the public at the hearing. He pointed out that the budget, the total General Fund expenditures, is less than last year.

Under Agenda Item #6 - A Consideration of Liability/Property Coverages through Utah Risk Management Mutual Association@, the City Manager recommended that a Committee be formed to study the proposal to join URMMA. He suggested David Hale be the chair of the committee and that another Council Member join him along with Department heads and the City Manager.

The City Manager reported that the bids for the restoration of the museum came in \$75,000 higher than what is budgeted. He will meet with the architect and others to eliminate items from the project.

Council Member Susan Holmes brought up the possibility of obtaining grant money to help with the restoration project.

REGULAR CITY COUNCIL/CITY CHAMBERS/CALL TO ORDER

PRESENT: Mayor David M. Connors, Council Members David Hale, Bob Hasenyager, Susan T. Holmes, Edward J. Johnson, City Manager Max Forbush, City Planner David Petersen,

City Recorder Margy Lomax, and Deputy Recorder Jeane Chipman. Council Member Larry Haugen was excused.

Mayor Connors called the meeting to order at 7:00 P.M. The invocation was offered by Max Forbush and the Pledge of Allegiance was led by Scout Troop 283.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The minutes of the July 17, 2002, City Council meeting were considered. **David Hale** *MOVED* to approve the minutes as corrected. **Ed Johnson** seconded the motion. The voting was unanimous in the affirmative.

REPORT OF PLANNING COMMISSION (Agenda Item #3)

David Petersen was attending a special Planning Commission meeting which was being held at the same time. Mayor Connors reported that a Planning Commission meeting has not been held since the last City Council meeting. Therefore, there was no need of a report.

PUBLIC HEARING: CONSIDERATION OF ORDINANCE ADOPTING FINAL FY 03 BUDGET AND A RESOLUTION ADOPTING THE PROPERTY TAX RATE FOR 2002 (Agenda Item #4)

Mayor Connors opened discussion of the budget with a few comments, including the following points:

- \$ The budget review process had taken several months of hard work and study by the City Council, City Staff, auditors, and himself.
- \$ Public input was appreciated, encouraged, and valued.
- \$ The need for the proposed property tax increase was not due to increased expenditures. The increase was needed because of revenue short falls which were caused in part by the closure of Kmart.
- \$ There had been a series of tax rate decreases over the past 6 to 7 years. It was now necessary for the City to set the tax rate back up to where it was in 1995.
- \$ Several surveys had been taken regarding services and amenities desired by Farmington residents. It was felt that the City had been given directives from its citizens regarding legal services expected.
- \$ Operating expenses were being funded in ways other than revenues from property taxes.
- \$ The City Council and staff had been working very hard to promote economic development in order to broaden the tax revenue base for the City. The efforts

were on-going and continued to have the focused attention of City officials. It was hoped that such economic development would decrease the City=s dependence on tax revenues.

Keith Johnson reviewed changes to the tentative budget adopted in June which were being proposed after additional study. He explained each change and why it had been made. The proposed changes included: (1) the estimated revenues in which fees were increased by \$23,500 with a similar decrease shown in the Debt Service Revenues and the companion increase in transfers from the General Fund to the Debt Service Funds to retire debt; (2) the estimated property tax revenue in the Debt Service Funds were reduced to reflect a more accurate estimate (Fund 75); expenditures in that fund for debt service were reduced by \$10,000 because of an error; (3) street impact fee expenditures were increased by \$21,000 (Fund 38); (4) adjustments in capital expenditures were made in the Water Fund for fluoridation, 12" water transmission line, Well #2 improvements and the 2MG reservoir projects; (5) increase in the Sewer Fund expenditures (\$3,000); (6) and in the Recreation Funds (\$1,000) were also made.

Max Forbush covered in detail the reasons for the need to increase property taxes. The tax increase was meant to fill the gap between revenues and expenses created over the past decade. Increased expenditures over the past decade were the result of several things, including: (1) growth (which caused development pressures, regional transportation changes such as the new construction at Burke Lane and subsequent impacts on the City, and the need to increase employees in all areas of City service), (2) conscientious policy decisions to increase levels of service in city operations such as 24-hour coverage by the Police Department, changing the Fire Department from volunteer to part-time employees, the expansion of neighborhood parks, trails, and open space, the expansion of recreation and Leisure Services program, and public awareness and information (*Newsletter*), (3) the need for increased professional services such as legal, engineering, accounting and auditing (unfunded mandates have caused some of these increased needs), (4) market pressures, for example increased costs for insurance coverage, and (5) normal inflation. Changes in municipal revenue have also caused the need to increase property taxes. The loss of Kmart sales tax has impacted the City=s revenues as has the general decline in sales tax revenues. Mr. Forbush stated there was the potential loss of sales tax revenues from Lagoon and Smith=s due to Legacy and U.S. 89 construction. The City also had to fully fund Police Department salaries once the COPS Fast Grant which subsidized the Police Department salaries by \$255,00 over the past five years ended. The collection rate for property taxes has dropped from an average of 95% to 90%, which is the lowest percentage in Davis County. City reserves have been completely depleted. Mr. Forbush also said that the FY 03 proposed budget for General Fund operations is less than a 1 % increase. The total General Fund FY 03 budget including debt and capital projects is less than it was last year. To avoid being in violation of State law, a tax increase is required to maintain minimum reserves.

Charles Ulrich (City auditor) stated that he knew the City officials had been diligent in their efforts to create a budget that balanced revenues and expenditures. That gap between the two had not kept pace with current events, therefore the officials had to dip into reserves. The City had to maintain a reserve minimum as required by law. If the City did not increase the property taxes to maintain the reserve minimum, the State would mandate that they do so.

Mayor Connors opened the meeting to a *PUBLIC HEARING*.

George Mortimer (327 Spencer Way) had several questions about the budget. He wanted clarification regarding several line item expenses.

Mayor Connors asked Mr. Mortimer to state all his questions, and then when the public hearing was closed, the City officials would answer all questions raised.

Chad Vanderlinden (member of the Utah Tax Payers= Association) commended the City Council of Farmington because they had only raised taxes twice in the past 20 years. The rate was a median rate, which was also commendable. However, he stated that many other communities had fallen on hard economic times and were not raising taxes. He encouraged officials to find other ways to increase revenues without increasing taxes.

Carolyn Bray (1943 Compton Road) had gone through the proposed budget and studied the increases. She asked specific questions about several raises. She asked if there were any way to delay the increased expenditures until the economy was stronger or at least not add all the increases to the budget at once.

Mr. Forbush stated that most of the expenditure items questioned by Ms. Bray were projects funded by impact fees and bonding, not by the increased taxes.

Brad Ator (300 South in Farmington) questioned why some items in the budget which had been carried over from the previous year were being added to the current budget.

Mr. Johnson explained that those items had been budgeted during the last year and that the budgeted funds were also carried over. They were mostly due to delayed invoices which as yet had not been received.

Mr. Ator also noticed that the only increase shown on the tentative tax notice sent by the County was due to the increase in Farmington City taxes. He asked if depreciation had been figured into the budget. Mr. Ator felt that he wanted to have Farmington maintain its character and he felt that he did not want money spent to change the character of the City.

Helge Nelson (1267 West Burke Lane) supported the tax increase because he knew City officials were working very hard to maintain the City=s open space and historic character. He lived in the west part of Farmington, where officials had approved larger lots instead of higher density

developments which would have increased the revenues of the City. He said he would prefer to pay higher taxes and keep the life style and services offered by Farmington.

Carmen Samuelson (1943 Kingston) asked about the RDA projects mentioned, specifically the Brass Comb property improvements.

Mr. Forbush explained the Brass Comb property project and said that no expenditures would take place until pre-sales of the property were secured.

Ms. Samuelson felt that the entire burden of City funding should not be placed on the property owners and that perhaps a special tax should be placed on Lagoon.

Mayor Connors explained that special taxes were illegal. No individual entity could be targeted for taxation. The State restricts taxation rigidly. Lagoon will pay its fair share of property tax. The Mayor stated that the City looks to Lagoon for their fair contributions and commented that the City and the Lagoon corporation tries to maintain a cooperative working relationship. Max Forbush reported that the City tried to levy a special amusement tax on Lagoon 25 years ago but was stricken down by the Courts.

Harlow Wilcox (1149 South 200 East) felt that other communities had the same problems but did not increase their taxes. He did commend the City for not increasing the taxes for a good number of years. He felt the figures in the budget jumped back and forth and that stated figures was not clear. Increases in some instances were a huge percentage. He felt while some increases may be necessary, he wondered if they would be a one-time thing or if there would be increases every year. He felt that policy approaches by City officials needed to be changed so that increases would not be a regular thing. For example, open space and trails are not a necessity and may not be wanted by the majority of the citizens. Open space here in Utah is a different thing than it is in the east, where many of the open space proposals have been initiated. He noted the land for the new post office was very expensive and wondered if there could have been a more inexpensive site for the building.

Bob Wiser (935 Mountainside Road) had asked why the salaries of the City employees had been raised at the June Budget hearing and had been invited by Mr. Forbush to review the facts. Mr. Wiser had been impressed by the Open-door@ policy of the City and had been satisfied that salaries had been increased to make them comparable to surrounding, comparable communities. Mr. Wiser said he had 17 years experience as a CPA, and he felt salaries in Farmington were reasonable overall. He commended the City officials for holding off on the tax increase as long as possible. He recognized the increase was necessary to maintain the level of services demanded by the citizens. He suggested that auditing services be put up for bid in the future.

Jim Fulks (902 North Main) encouraged the officials to shift the burden of expenses away from tax revenues. He said he had little faith in the future of economic development for the City and

saw problems with the Shepard Lane and Highway 89 area of commerce. He felt it would become a blighted area.

With no further public comments, the Mayor *CLOSED* the public hearing. He stated that those who had line item questions could contact the City Finance Director and City Manager, as

Mr. Wiser had done, and receive specific response to their questions. When the questions were of a policy nature, he or any member of the City Council would be happy to talk with citizens. He stated he had a great deal of confidence in the eventual development of commerce in the City and that the impact of the Highway 89 reconstruction would be done in a way to benefit the City. City officials had been working diligently to persuade UDOT authorities that the needs of the City must be met in order to keep the area vital and to protect revenues. City officials were also working with authorities to gain a rail stop in the City. Farmington is an employment center and as such a rail stop would be logical in south Davis.

City Council members each discussed the budget, including the following points:

- \$ Governmental accounting does not allow for depreciation. Replacement of equipment must be budgeted separately and specifically
- \$ Other communities, such as Centerville, have much larger tax bases and are not as impacted by the economic downturn nor increased expenditures.
- \$ A bond election will be held in November to allow the citizens of Farmington to decide on specific new projects for the City, including a new performing arts and Community center and other projects. Information will be forthcoming.
- \$ City officials are very sensitive to those who have fixed incomes and have tried to protect those individuals from excessive taxation by inviting needy individuals or families to special information meetings to describe property tax abatement programs offered by Davis County..
- \$ Council members expressed appreciation to those who commented on the budget and were impressed with the thoroughness of their budget review. It was acknowledged that the City=s budget was complicated and not readily understood by those who had not attended the hours of discussion and study.
- \$ The City officials were working diligently to maintain a level of service standards acceptable to the general populace. Additionally, maintaining the unique quality of Farmington=s life style while keeping property taxes as low as possible was a definite priority.
- \$ The City Council took seriously their charge to judiciously and prudently handle their fiscal responsibility. The budget had been worked on over a period of months. The facts were that revenues were down and some expenditures formerly covered by grants now had to be picked up by City-generated revenues.. Citizens charged officials with maintenance of a certain standard of services. The actual cost of the proposed tax increase to most citizens would be minimal.

- \$ Appreciation was expressed to staff members for their diligence in watching expenditures and keeping track of ways to lower costs.
- \$ The need for economic development was emphasized.
- \$ City employees are a valuable asset. Their quality of work is exceptional and way above average even though their pay scale is average when compared to neighboring communities. The City cannot pay them what they are worth.

Bob Hasenyager *MOVED* that the City Council adopt Resolution 2002-33, a resolution adopting a tax rate for the purpose of levying taxes within Farmington City for the year 2002. **Ed Johnson** seconded the motion, which passed by unanimous vote.

David Hale *MOVED* to approve Ordinance No. 2002-34, an ordinance adopting the municipal budget for fiscal year ending 6-30-03. **Susan Holmes** seconded the motion, which passed by unanimous vote.

FINAL PLAT APPROVAL REQUEST FOR FARMINGTON BAY BUSINESS PARK SUBDIVISION, PLAT 1/DEVAN AND BRAD PACK (Agenda Item #5)

Mr. Petersen reported that the Planning Commission had met and discussed the final plat of the Farmington Bay Business Park Subdivision and had recommended approval. He discussed conditions set by the Planning Commission, specifically #9 which provided for the City to reserve the right to require an equestrian trail on the east side of 650 West in the event that Legacy Highway is not constructed.

Susan Holmes *MOVED* that the City Council approve the final plat for the Farmington Bay Business Park I Subdivision located at approximately 1200 South 650 West with conditions as listed by the Planning Commission in their August 7, 2002, meeting. Ms. Holmes commented that the developer had been sensitive to City desires and had been very cooperative. **Bob Hasenyager** seconded the motion, which passed by unanimous vote.

CONSIDERATION OF LIABILITY/PROPERTY COVERAGES THROUGH UTAH RISK MANAGEMENT MUTUAL ASSOCIATION (Agenda Item #6)

Mr. Forbush gave a brief overview of the agenda item. According the packet material, the City Manager had provided insurance related information to URMMA. That organization had prepared a proposal which was distributed to the City Council. Mr. Forbush recommended that a committee comprised of two Council members, department heads, and himself review the URMMA proposals and return with a final recommendation.

By consensus, David Hale and Susan Holmes were appointed to serve on the committee recommended by Mr. Forbush. Their first meeting will be Thursday, August 15th at 8 A.M.

APPROVAL OF REQUEST TO MODIFY DRAINAGE EASEMENT BOUNDARY IN

CREEKSIDE SUBDIVISION/JACK BARNETT (Agenda Item #7)

Packet material indicated that the City Council was being asked to approve Mr. Barnett=s request to narrow the flood control easement on Lot 125 of Creekside Estates Subdivision as illustrated on the back side of the letter written to Max Forbush from Kim Wallace from the Davis County Public Works Department. The Farmington City Engineer, Davis County Public Works Engineer, David Petersen, and Max Forbush recommend the reduction of easement as requested.

Bob Hasenyager *MOVED* to approve the request by Jack Barnett to modify drainage easement boundary in the Creekside Subdivision. **Ed Johnson** seconded the motion, which passed by unanimous vote.

MINUTE MOTION APPROVING BUSINESS OF CONSENT (Agenda Item #8)

David Hale *MOVED* to approve the following items by consent as follows:

8-13. Approval of Change Order No. 1, Nelson Brothers Construction related to the new pump house. Approval has already been given on most of this Change Order as it pertains to Well 1 and C-5 to modify said pump houses to accommodate fluoridation. The City Manager is not sure if he discussed with Council Members the first two parts of this Change Order where the City is paying additional money for subsurface stabilization of the new pump house because it is being built on fill. However, the City has also received a credit for chemical system cost reduction by the contractor so the two are about a wash. Approval is recommended by the City Manager.

8-14. Ratify City Manager=s signing of audit engagement letter as enclosed. Before the audit is commenced, auditors usually lay down the ground rules of how the audit will be conducted and what it will consider. Enclosed is Ulrich & Associates proposal. This will be a standard audit. It is the same that has been done in past years. In FY 1998, 1999, and 2000 the City Council directed the auditor to do an expanded audit. That was not done in last year=s audit. If the Council wants to have an expanded audit completed, that can be arranged.

8-15. Approval of Public Works Extension Agreement with Black Dog GLB, LC This extension agreement covers future curb, gutter and sidewalk improvements in the west Farmington area.

8-16. Approval of Waste Connection of Utah=s proposal to raise the City=s charge for garbage collection. The overall price increase has about a \$1,200 per year effect. The City Manager recommends approval of the proposed price increase as suggested by Waste Management. The letter to Brooks Paras from the City Manager, although dated July 29, will not be sent out until the Council approves the increase.

8-17. Approval of David Petersen= recommendation regarding Lois K.

Taylor=s request for reduction of storm water impact fees on Sunset Hills Subdivision #4. The City Manager concurs and recommends approval.

Susan Holmes seconded the motion, which passed by unanimous vote.

FUTURE MEETING SCHEDULES/HEARING DATE ADJUSTMENTS (Agenda Item #9)

Mr. Hale requested that special invited guests be requested to attend the City Council meeting on September 4th to honor Rick Robinson. The meeting had been changed from Sept. 18th.

In regards to the hearing set for Aopen-access-to-hillside@ issues, that meeting had been changed from August 21 to September 18. **Mr. Hasenyager** expressed concern that adequate public notification take place, including those with responsibility for public safety.

UTOPIA COMMITTEE APPOINTMENTS; FUTURE AGENDA ITEMS FOR CITY/COUNTY/SCHOOL DISTRICT MEETING; SHERIFF=S CITIZENS COUNCIL INFORMATION (Agenda Item #10)

The City Council discussed citizens who may be of help on a committee to study the UTOPIA proposals. The committee would study potential benefits or risks to the City along with financial modeling and any other information that may help the Council make informed decisions about the project.

Mrs. Lomax stated that she had contacted the Sheriff=s office and was informed that the Sheriff=s Citizen Council was currently organized of 12 people who discussed concerns of County-wide interest in regard to law enforcement. Two more people were being added to the Council, both of whom would represent Farmington City. Names for those two positions were discussed.

AWARD OF BID/MUSEUM PROJECT (Agenda Item #11)

After a brief discussion, **Susan Holmes** moved that a sub-committee be formed to reduce the scope of the Farmington Historic Tithing Office remodel, thus reducing the cost of the project and that Larry Haugen and Ed Johnson be appointed to that committee. **David Hale** seconded the motion, which passed by unanimous vote.

RECOMMENDATIONS FOR BOARD OF DIRECTORS/UTAH LEAGUE OF CITIES AND TOWNS (Agenda Item #12)

By consensus, the City Council asked the Mayor to nominate Susan Holmes as a Board Member on the Utah League of Cities & Towns Board. Ms. Holmes accepted the assignment. The application will be sent by City staff.

ROSE AWARD TO JO-ANN CALLAHAN (Agenda Item #13)

Susan Holmes described the award being given to Jo-Ann Callahan for her work in the City=s performing arts. The award is the prestigious ROSE Award given by the National Recreation and Park Association.

MISCELLANEOUS

Mr. Hasenyager expressed his regrets that he would not be able to attend the City=s appreciation night held for employees and volunteers at the City=s Pool on August 15.

Ed Johnson inquired about the information process to take place for the bond election to be held in November.

Susan Holmes expressed a concern about the safety of children using the Farmington Pond recreation area. She asked that City Police patrol the area more frequently.

Ms. Holmes reported a safety concern caused by 6-foot weeds on the corner of 650 West and Glover Lane. The weeds block the sight distance of traffic.

The landscaping required by the Planning Commission at the pump house near the Highway Patrol building had not been completed. Ms. Holmes asked the City staff to look into the issue.

In response to inquiries by Ms. Holmes, **Mr. Forbush** reported that the Public Works Department feel that signs along 650 West to encourage motorists to be more considerate of equestrians would not change behavior of speeding drivers as they pass people on horse back. Mr. Forbush will discuss the matter further with Mr. Hokanson and Council Member Holmes.

David Hale asked about the weeds on the west side of the sound wall.

Mr. Forbush stated they are being worked on. He also reported that the tree trimming technique used by Utah Power and Light near the Oakridge area known as the AShigo@ method was reportably an acceptable method to meet arborists. He said he would send a letter requesting consideration of a different method that was less brutal to the trees.

Mr. Hale also raised concern regarding the trees on the Kmart property. If the water had been turned off, those trees may die. Mr. Forbush referred a maintenance company to the owner=s property manager to address the problem.

Mr. Forbush had several items for miscellaneous discussion:

\$ Davis County requests participation by the City for a new underground fiber run from the State Street bridge at I-15 to the Courthouse. Mr. Forbush discussed advantages to the City and recommended the expenditure. The City=s share

would amount to \$39,600 (\$28,000 of which is currently budgeted). **Ed Johnson** *MOVED* to authorize the City Manager to enter into an agreement with Davis County to participate in the cost of running a new underground fiber run. The additional fund would be taken from the Council contingency funds. **Bob Hasenyager** seconded the motion, which passed by unanimous vote.

- \$ Mr. Forbush reported that during the City=s recent construction of water lines along 200 East, some water service lines were not replaced because of difficulties with the contractor. Those water service laterals were being installed by the City crew. One of the laterals leads to the cemetery drinking fountain which Council Member Hasenyager reported to be non-functioning.
- \$ Mr. Forbush reported that the expense of jersey barriers along the frontage road near Glover=s Lane would be as costly as curb and gutter. UDOT was asked to give some to the City for the pedestrian safety of school children. UDOT did not have any available for free. He suggested that the pavement be widened and that a white line be added to help separate and set aside a pedestrian walking lane.
- \$ Mr. Forbush stated Karen Foster had recently removed several cottonwood trees from her property near the 200 South right-of-way line. Chief Gregory said the trees were a fire hazard. Ms. Foster requested permission to erect a privacy fence along the sidewalk of 200 South to protect her property. Since the tree removal left her back yard visually wide open, Mr. Forbush suggested that a Arevocable permit@ be approved. The fence would be installed well within the street right-of-way but on the inside of the existing sidewalk. If the City ever needed to have access to the land, the fence would have to be removed. Fencing material should be approved by the City before installation. By consensus, the City Council approved the recommendation.
- \$ Mr. Forbush reviewed the work load of the City Building Inspector and requested permission to use an independent inspector on a Aas-needed@ basis. By consensus, the City Council approved. Mr. Hasenyager commented that it was important to follow up with compliance issues when conditions were imposed by City officials.
- \$ Mr. Forbush reviewed architectural renderings for the proposed Community Center and Arts Building addition if the proposed bonding issue passes. He and Council Member Holmes reviewed which of the proposed bond projects be given funding and at what level. Priority projects for inclusion were recommended to include: Community Center, Heritage Park, 3 boweries, and expansion of the telemetry system and replacement of playground equipment to be given a lesser priority. Additionally, Council Member Holmes and the City Manager suggested that the City pursue grants and use of impact fees to cover additional costs and to try and find sufficient funding to include all of the original items on the project list and also to add the rebuilding of the Woodland Park stage with an

amphitheater if funding can be found. Conceptually, the City Council approved the work of Mr. Forbush and directed him to move forward. He stated that operation costs for the projects would be an additional \$23,000.

CLOSED SESSION

David Hale *MOVED* to adjourn to closed session to discuss items as they pertain to strategy of potential litigation at 10:40 P.M.. **Bob Hasenyager** seconded the motion, which passed by unanimous vote. At 10:55 p.m. **Bob Hasenyager** moved to go back into open session. The motion was seconded by **Ed Johnson** and the motion passed unanimously.

There being no further business to conduct, upon motion of **David Hale** the meeting was adjourned at 10:55 p.m.

Margy Lomax, City Recorder
Farmington City